MainStay Investments®

MARKETFIELD ASSET MANAGEMENT

June 2014

MainStay Marketfield Fund

Fund Overview

Objective

The investment objective of the Fund is capital appreciation. We endeavor to accomplish this by seeking low-volatility absolute returns in excess of broad equity indexes.

Strategy & Process

The Fund attempts to provide returns on capital substantially in excess of the risk-free rate rather than matching any particular index or external benchmark. The Fund has a broad investment charter that allows it to utilize equity securities, fixed-income instruments, commodities, futures, and options. Additionally, with respect to 50% of the Fund's net assets, the Fund may engage in short sales of index-related and other equity securities to reduce its equity exposure or to profit from an anticipated decline in the price of the security sold short. The use of short selling could result in increased volatility of returns.

Fund Facts

Fund Statistics

CUSIP:	Class A: 56064B878
	Class I: 56064B852
	Class R2: 56064B845
Inception Date	7/31/07
Benchmark	S&P 500 Index
Net Assets	$20,052 M
Number of Holdings	120

Top Ten Long Holdings (Excluding Cash) (As of 6/30/14)

iShares MSCI Japan ETF	3.8%
Alcoa, Inc.	1.8%
Bank of Ireland	1.6%
Facebook, Inc.	1.6%
SPDR S&P Homebuilders ETF	1.6%
Schlumberger Ltd.	1.5%
Bank of Ireland Trust - Preferred Security	1.4%
iShares MSCI Mexico ETF	1.4%
Nikkei 225 Index Future September 2014*	1.3%
Baker Hughes Inc.	1.3%
TOTAL:	17.3%

*Notional Value

Portfolio Allocation (As of 6/30/14)

Equity Long	86%
Futures Long*	1%
Equity Short	30%
Futures Short*	15%

Option delta not reflected.

*Notional Value

★★★★ OVERALL MORNINGSTAR RATING™ (CLASS I) AMONG 146 LONG/SHORT EQUITY FUNDS AS OF 6/30/14

Ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its five-year Morningstar Rating metrics. *Class I shares received 4 stars among 146 Long/Short Equity Funds for the three-year period and 4 stars among 76 Long/Short Equity Funds for the five-year period.*

Fund Performance

Quarterly Average Annual Total Returns as of 6/30/14

	Tickers	YTD	One Year	Three Year	Five Year	Inception
Class I (07/31/2007)	MFLDX	-3.51%	4.94%	9.35%	12.49%	8.86%
Class A (Max. 5.5% load) (10/08/2012)	MFADX	-8.93%	-1.10%	7.06%	10.95%	7.71%
Class A (NAV) (10/08/2012)	MFADX	-3.63%	4.66%	9.10%	12.21%	8.60%
Class R2 (10/08/2012)	MFRDX	-3.69%	4.54%	8.97%	12.09%	8.48%
S&P 500 Index	N/A	7.14%	24.61%	16.58%	18.83%	6.72%**

**Inception date used was for Class I (07/31/07).

Total Annual Fund Operating Expenses: Class I: 2.66%, Class A: 2.93%, and Class R2: 3.05%. New York Life Investments has contractually agreed to waive fees and/or reimburse expenses so that Total Annual Fund Operating Expenses (excluding taxes, interest, litigation, extraordinary expenses, brokerage and other transaction expenses relating to the purchase or sale of portfolio investments, and acquired (underlying) fund fees and expenses) for Class I shares do not exceed 1.56% of its average daily net assets. This agreement will be in effect through 2/28/15 unless extended by New York Life Investments or upon approval of the Board.

Average annual total returns include the change in share price and reinvestment of capital gains and distributions. Effective 10/5/12, Marketfield Fund was renamed MainStay Marketfield Fund. At that time, the Fund's existing no-load shares were redesignated Class I shares. Performance for Class A and R2 shares, first offered 10/5/12, includes the historical performance of Class I shares from inception through 10/4/12, adjusted to reflect the applicable sales charge and fees and expenses for such shares. Class I shares are generally available only to corporate and institutional investors.

Performance reflects the reinvestment of dividends and other earnings and is net of advisory fees. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data to the most recent month-end may be obtained by calling 800-MAINSTAY (624-6782).

The S&P 500 Index (SPX) is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The securities holdings and volatility of the Fund differ significantly from the stocks that make up the SPX.

Equity allocations may include fixed-income exposure.

Top Five Sectors–Net

Materials	20.0%
Financials	15.7%
Industrials	9.9%
Consumer Discretionary	9.7%
Information Technology	6.9%

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk. There can be no guarantee that investment objectives will be met.

Management Team

Michael C. Aronstein
President, Chief Investment Officer,
and Portfolio Manager

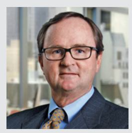
Michael C. Aronstein is Portfolio Manager of MainStay Marketfield Fund. In 2004, Mr. Aronstein joined Oscar Gruss & Son Incorporated, where he held the position of Chief Investment Strategist. Prior to joining Oscar Gruss, Mr. Aronstein was Chief Investment Strategist at Preservation Group, a provider of independent macroeconomic and strategic advice to professional investors. Mr. Aronstein began his investment career in 1979 at Merrill Lynch, serving positions as Senior Market Analyst, Senior Investment Strategist, and Manager of Global Investment Strategy. Mr. Aronstein spent six years as President of Comstock Partners, a diversified investment advisor, and left to found West Course Capital, a discretionary commodity management firm. Mr. Aronstein graduated from Yale College with a Bachelor of Arts in 1974. His views on macroeconomic and strategic issues are regularly sought by and disseminated through the financial print and visual media. Mr. Aronstein manages $20,052 million in MainStay Marketfield Fund, $468 million in MainStay VP Marketfield Portfolio and $682 million in Marketfield Fund Dublin; total assets under management are $21,202 million.

David C. Johnson, Jr.
Principal, Director of Research

Mr. Johnson joined Marketfield Asset Management LLC as Director of Research in April 2011. Mr. Johnson is a graduate of the University of North Carolina at Chapel Hill. He received his MBA in 1984 from Darden School of Business, University of Virginia. Prior to joining Marketfield, Mr. Johnson was an Investment Analyst, Portfolio Manager, and Head of Business Development at Wilkinson O'Grady & Co., Inc. He spent the first 10 years of his career in the fixed-income department of Salomon Brothers, where he managed one of its primary sales groups. Mr. Johnson was President of Preservation Group, where he worked closely with Mr. Aronstein.

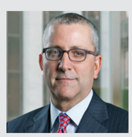
Michael Shaoul
Chairman and CEO

Michael Shaoul also serves as Chief Executive Officer of Oscar Gruss & Son Incorporated, a position he has held since December 2001. He joined Oscar Gruss in 1996 as Chief Operating Officer. Between 1992 and 1996, Mr. Shaoul ran Park Square Associates, a Manhattan-based real estate investment and management company. He was awarded a Ph.D. in Accounting and Finance in 1992 from Manchester University (UK). Mr. Shaoul has written articles on behalf of *Barron's* and has been regularly quoted in *The Wall Street Journal* and Dow Jones Newswires regarding his opinions on the investment markets.



Myles D. Gillespie
Principal, Senior Trader

Myles D. Gillespie joined Marketfield Asset Management LLC in 2007. Myles is a graduate of The Hotchkiss School and holds a Bachelor of Arts degree from Franklin and Marshall College (Class of 1983). From 1983 to 1986, he worked as a Stock Index Futures Trader with Henderson Brothers and in 1986 became a NYSE Specialist at Quick & Reilly. He was appointed Executive Vice President of JCC Specialist Corp., the successor firm to Quick & Reilly, in 1989. In 1999, he became President of Fleet Specialist, Inc., the successor firm to JCC Specialist Corp., retiring from this position in 2004. During his time at the NYSE, Myles served as a NYSE floor Official (1993-1999) and NYSE floor Governor (2001-2004).



Andrew Lyss
Principal, Senior Trader

Mr. Lyss joined Marketfield Asset Management LLC in 2012. He was previously Executive Vice President at Oscar Gruss, which he re-joined in 1997. Mr. Lyss previously worked for Oscar Gruss from 1993 to 1995. Mr. Lyss specializes in special situations, including merger arbitrage, spinoffs, bankruptcy, and post-bankruptcy valuations. Prior to re-joining Oscar Gruss in 1997, Mr. Lyss was employed by Arnhold & S. Bleichroeder from 1995 to 1997 in institutional sales and by Prudential Securities from 1983 to 1989 in varied positions. Mr. Lyss received a BS/BA from the University of Denver in 1982.

Before You Invest

The Fund regularly makes short sales of securities, which involve the risk that losses may exceed the original amount invested. The Fund may also use options and futures contracts, which have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates, and currency exchange rates. However, a mutual fund investor's risk is limited to the amount invested in a fund. Investments in absolute return strategies are not intended to outperform stocks and bonds during strong market rallies. The Fund invests in smaller companies, which involve additional risks such as limited liquidity and greater volatility.

The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Investments in asset-backed and mortgage-backed securities involve additional risks such as credit risk, prepayment risk, possible illiquidity and default, and increased susceptibility to adverse economic developments. The Fund involves the risk that the macroeconomic trends identified by portfolio management will not come to fruition and their advantageous duration may not last as long as portfolio management forecasts. The Fund may invest in derivatives which often involve leverage, may increase the volatility of the Fund's NAV, and may result in a loss to the Fund.

 For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ (based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.)

MainStay Marketfield Fund is subadvised by Marketfield Asset Management LLC and distributed by NYLIFE Distributors LLC, 169 Lackawanna Avenue, Parsippany, NJ 07054, a wholly owned subsidiary of New York Life Insurance Company. NYLIFE Distributors LLC is a Member FINRA/SIPC.

MainStay Investments® is a registered service mark and name under which New York Life Investment Management LLC does business. MainStay Investments, an indirect subsidiary of New York Life Insurance Company, New York, NY 10010, provides investment advisory products and services.

Neither New York Life Investment Management LLC, its representatives, nor its affiliates provide tax, legal, or accounting advice. Please consult your own advisors on these matters.

The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

Notional value is the total value of a leveraged position's assets.

Obtain the Prospectus

For more information about MainStay Funds®, call 800-MAINSTAY (624-6782) for a prospectus or summary prospectus. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus or summary prospectus contains this and other information about the investment company. Please read the prospectus or summary prospectus carefully before investing.

Commentary

Portfolio Discussion:
June represented a better month for performance than the difficult March through May period as a number of our investment themes emerged from the penalty box. This was clearly the case with Japan, where the Nikkei Index gained 3.62% as investors realized that they had overreacted to the increase of the domestic sales tax earlier this year. We remain of the view that Japan's domestic economy has commenced a period of sustained recovery and have rebuilt our exposure to this market.

We cut back further our exposure to Europe, where we believe the easy money has already been made. Although we do not see much risk of general deterioration, the investor view of Europe has swung 180 degrees over the last 30 months while local conditions have done no more than match our muted expectation that the world (or at least continent) was not ending. We also have some concerns that with domestic liquidity remaining quite tight (at least at the level of the central bank), Europe is overly reliant on a combination of foreign liquidity (QE3 has perhaps been more important here than people realize) and a continued wide current account surplus. The former is always subject to abrupt change while the latter could be expected to have reached a cyclical peak as domestic economic recovery starts to reinvigorate European imports of goods and services.

On the other hand, we feel much better about the prospects for emerging markets, particularly for those with exposure to China, where we believe overall economic activity has stabilized. June saw us add to individual positions, a process which we have continued in July.

Our general theme on reflation (which we view as a precursor to inflation) has also started to perform quite well with a number of commodity-related equities posting gains in June even as commentary fretted about the Chinese economy. We consider this area to be a core holding of our portfolio for reasons which are outlined in our discussion on monetary policy, and it is important that strong equity market performance has been matched in the most part by better-than-expected corporate earnings.

Our exposure to U.S. housing and construction performed well in June, although these gains were subsequently wiped out in July, following poor Census Bureau estimates of New Home sales. For reasons we have discussed at length in our macro research, we continue to be patient with this area, although we can understand why some of our clients may feel less charitable to a sector which has supplied volatility without positive returns for over a year.

On the short side of our portfolio, we have struggled to generate a successful strategy since correctly collapsing our long standing short on emerging markets at the start of the year. Our short exposure to utilities proved painful at the end of June when investor allocations were strongly in favor of this group, although some of these losses were recouped in July. Being short retailers, on the other hand, had little impact on performance in June, and this group has been a notable laggard within the U.S. equity market so far this year. All of these shorts are connected by a belief that cost pressures may be starting to erode corporate margins in certain sectors and can be treated as the intellectual twin of our reflation theme. Thus far, the long side of this story has worked substantially better, which is a reflection of the fact that we remain in the midst of a powerful bull market.

Macroeconomic Commentary:
This commentary involves a departure from our normal course. In light of the recent congressional testimony from Janet Yellen and to a somewhat lesser extent, commentary from Mark Carney, Governor of the Bank of England, we consider it important to look closely at the perspectives underlying what is clearly the most radical policy experiment in the annals of central banking.

Our inclination over the years has been to steer clear of specific policy discussions, believing that there is little in the way of insight that we can offer. We have been content to explain the consequences of official actions, be they monetary, regulatory, or administrative.

Current financial conditions are not only unique, but also decisive in driving business and capital markets' performance. In 2009 and again in Europe in 2011 and Japan in 2012, policy changes towards much greater accommodation were necessary to address inadequacies in bank solvency and systemic liquidity.

In each case, the central bank in question acted after unwarranted delays, having allowed monetary inadequacies to provoke crises and, in the case of Japan, prolonged depression.

The initial policy changes in response to emergency conditions were entirely necessary and long overdue. Now that we are nearly six years past the Panic of '08, both the propriety and consequences of central banks' policy inertia are the major question for capital markets in the months and years ahead.

Commentary Cont.

Thus far, the main, clear consequences of the monetary abundance that has persisted since 2009 have been various forms of asset price inflation. These episodes, pandemic in nature, underlie the populist concept of income inequality. This is a new slogan attached to a centuries-old economic concept—misallocation of capital—which has long been recognized as a harmful effect of price rises caused by monetary conditions rather than organic changes in supply and demand.

Modern academic economics does not treat hyperbolic asset price appreciation supported by expanding credit in the banking system or capital markets as inflation. A threefold increase in house prices, driven by a record expansion of mortgage credit between 2001 and 2006 was not considered inflationary, although all of the theoretical consequences of inflation and its subsequent reversal were clearly in evidence. The political responses to the misallocation of capital and capital gains were very much muted, as the beneficiaries of property inflation were numerous. The process was seen to have a certain egalitarian aspect and hence did not attract the attention of academics, politicians and populist charlatans of all stripes. This contrasts sharply with the current cycle, where the migration of asset inflation to capital assets has enriched those who were already fortunate enough to own or be involved in the movement of these. A panoply of economic pseudo-science has arisen in response.

Because we are concerned with the investment consequences of policy rather than partaking in policy debates, we will leave the question of economic nomenclature alone and concentrate on the probable outcomes of current policy. The difficulty consists in the fact that there are no direct precedents to consider. Current central bank policy is well into uncharted territory. The Bernanke/Yellen voyage makes Lewis and Clark look like backyard campers.

It is clear in listening to the public statements of various central bank heads that political imperatives have taken over from orthodox monetary considerations as the driving force behind policy. Traditional measures of employment will no longer suffice in providing policy guidance. The employment situation, including job quality, real wages, length of workweek, and a host of additional, secondary considerations will now be used to justify and retain the emergency monetary policy long after all traditional measures would argue for change. Central bankers have clearly accepted roles as social engineers in response to populist reaction to their own policies.

One unique feature of the current monetary expansion is its locus beyond banking systems. For most of this cycle, banks in the U.S., Europe, and Japan have been criticized for (among many other things) failing to lend. It is only recently that the overall figures have begun to pick up.

Instead of banks, the agency of credit expansion this time around has been the bond markets. By absorbing a large proportion of fixed-income assets, central banks have accommodated a raft of issuance from all corners. Corporate and sovereign issuers have responded in record fashion, resulting in a buildup of spending power in portions of the global economy over which the Federal Reserve has almost no control.

In prior inflation cycles, the underlying credit structure could be restrained via the Federal Reserve Bank's direct influence on the banking system of the costs of credit therein. As most bank lending is done at variable rates, tightening through the mechanism of higher-cost federal funds would quickly filter through into the cost and availability of loans, whereas in this cycle, bond issuance has created liquid purchasing power in forms that are largely outside the influence of the Federal Reserve and its cohort.

Since 2003, reserve assets among global sovereigns have risen from slightly less than $3 trillion to, as of last week, just over $12 trillion. This has occurred over a period in which global Gross Domestic Product (GDP) has fallen just shy of doubling.

Corporate cash holdings have exhibited similar growth trends, as have assets held in public and private pension funds, endowments, and foundations.

In each of these repositories of liquid and liquefiable assets, a rise in the Federal Funds Rate to one or two percent will have little or no effect on the existing stock of assets. Deposits in the banking system, which have also grown far faster than GDP, will likewise be untouched by a tightening in monetary policy. If anything, their growth rate may increase.

The accumulated mountain of liquid purchasing power and the ability to rapidly liquefy capital assets through fixed-income issuance and wholesale mortgage markets make it unlikely that central bank policy will be able to meaningfully restrain price and wage accelerations in real economies. The liquidity created in this cycle is much more permanent in nature and does not depend on continued bank lending for its perpetuation.

This strikes us as entirely unique.

Commentary Cont.

During every other modern credit inflation, the core of the process was excessive bank lending and deteriorating standards as the cycle progressed. This time, banks are virtually uninvolved, except as unusually robust buyers of bonds in response to nearly impossible regulatory strictures.

If the cycle proceeds as we suspect, corporate demand for capital goods, labor, and capacity, whether through building or buying, will be little constrained by tighter monetary policy. The corporate sector's unfettered access to bond markets and the fruits of their borrowings during the past four years make it unlikely that they will have to reduce demand in response to anything but the most draconian Federal Reserve policies.

In similar fashion, record (and growing) reserves in the coffers of the world's sovereigns make it unlikely that any will be forced by lack of means to restrain their expenditures for globally-traded goods in the face of slowing private activity. This has been our point about China, where, despite serious structural issues, their store of liquidity is so vast that the likelihood of a deflationary cataclysm is extremely slight. In fact, their response to GDP sluggishness is likely to be increased spending and credit support in yet-to-be inflated sectors of their economy.

In practical terms, our sense is that the consequences of what has become reckless monetary policy will become increasingly clear during the remaining part of this year. Our repositioning of our portfolio in recent months has been made with this shift in mind.

July 28, 2014

Michael C. Aronstein
President, CIO & Portfolio Manager

The information provided herein represents the opinion of the Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.